

**THE CITY OF FREDERICK
RESOLUTION NO: 23-14**

A RESOLUTION concerning the 30-Year Pension Plan

BACKGROUND

On May 17, 2012, the Board of Aldermen adopted Resolution No. 12-17, which amended the City of Frederick 30-Year Pension Plan to, among other things, incorporate prior amendments and make certain updates based on changes in the law governing qualified retirement plans. The newly restated version of the 30-Year Pension Plan (the "Plan") took effect on July 1, 2012. The Plan, in § 65, allows for the amendment of the Plan at any time by resolution. The Board of Aldermen now desires to amend the Plan, effective September 7, 2023, for the purpose of removing the "rule of 90" and making related changes.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICK, That the City of Frederick 30-Year Pension Plan is hereby amended as follows:

FIRST CHANGE

The definition of "Actuarial Reduction" in Section 6(c) is amended to read as follows:

(c) Actuarial Reduction.

(1) "Actuarial Reduction" means a reduction which will cause a benefit with a starting date which precedes a Participant's Normal Retirement Date to be the Actuarial Equivalent of the benefit which would otherwise have been payable at Normal Retirement Date.

(2) However, notwithstanding any factors set forth in the definition of Actuarial Equivalent, if payments begin prior to a Participant's Normal Retirement Date, the reduction shall be equal to 0.50% of the benefit for each month preceding the Participant's 62nd birthday.

SECOND CHANGE

The definition of "Normal Retirement Date" in Section 6(y) is amended to read as follows:

(y) Normal Retirement Date. "Normal Retirement Date" means the first day of the month following the earlier of: (1) the date the Participant completes 30 Years of Eligibility Service, or (2) the date the Participant meets one of the following requirements:

- A. Attainment of age 62 and completion of 5 Years of Eligibility Service
- B. Attainment of age 63 and completion of 4 Years of Eligibility Service
- C. Attainment of age 64 and completion of 3 Years of Eligibility Service
- D. Attainment of age 65 and completion of 2 Years of Eligibility Service

THIRD CHANGE

Section 29 is amended to read as follows:

§ 29. Early retirement.

(a) Early Retirement Date. A Participant may elect to retire on any date on or after the first date which qualifies as an Early Retirement Date, in which case the date of retirement shall be deemed to be his Early Retirement Date and the Participant shall be entitled to a monthly early retirement benefit equal to the benefit computed pursuant to Section 28 (based upon the Participant's actual Years of Credited Service and Average Compensation at his Early Retirement Date), but subject to the appropriate Actuarial Reduction, if any.

(b) Commencement of early retirement benefits. Early retirement benefits shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date, unless the Participant elects to have the benefits commence on the first day of any prior month coincident with or following his Early Retirement Date.

FOURTH CHANGE

Section 31(a) is amended to read as follows:

(a) Ordinary disability.

(1) Date of Hire Prior to July 1, 2012. If a Participant whose initial Date of Hire is prior to July 1, 2012, who has not attained age 62, and who is credited with at least five Years of Eligibility Service reaches a Termination Date by reason of total and permanent disability, the Participant shall be entitled to receive a monthly disability benefit equal to the Participant's Accrued Benefit (based upon the Participant's actual Average Compensation at his Termination Date assuming he continues to earn the same rate of pay until age 62, and the Participant's Years of Credited Service projected to have been earned as of the Participant's attainment of age 62), but limited to 30 Years of Credited Service, without Actuarial Reduction and, notwithstanding the provisions of (c) below, without reduction for any benefits payable under the Workers' Compensation Law of Maryland.

(2) Date of Hire After June 30, 2012. If a Participant whose initial Date of Hire is after June 30, 2012, who has not attained age 62, and who is credited with at least ten Years of Eligibility Service reaches a Termination Date by reason of total and permanent disability, the Participant shall be entitled to receive a monthly disability benefit equal to the Participant's Accrued Benefit (based upon the Participant's actual Average Compensation at his Termination Date assuming he continues to earn the same rate of pay until age 62, and the Participant's Years of Credited Service projected to have been earned as of the Participant's attainment of age 62), but limited to 30 Years of Credited Service, without Actuarial Reduction and, notwithstanding the provisions of (c) below, without reduction for any benefits payable under the Workers' Compensation Law of Maryland.

FIFTH CHANGE

Section 32 is amended to read as follows:

§ 32. Other terminations of employment.

(a) Amount of termination benefit. If a Participant reaches a Termination Date for any reason other than death, retirement following attainment of his Normal Retirement Date or Early Retirement Date or disability, the Participant shall be entitled to a monthly termination benefit equal to a vested percentage (determined as set forth below) of the benefit computed pursuant to Section 28 (based upon the Participant's actual Years of Credited Service and Average Compensation at his Termination Date).

(b) Commencement of termination benefits. Benefits payable pursuant to this Section 32 shall commence on the first day of the month coincident with or otherwise next following the earliest of the Participant's Early Retirement Date (subject to the appropriate Actuarial Reduction) or attainment of age 62.

(c) Form of benefits. Except as otherwise provided in Section 43, the benefits payable pursuant to this Section shall be payable in the normal form provided by Section 28, unless an optional form of payment has been elected pursuant to Section 42.

(d) Vested percent of the Accrued Benefit. Subject to Section 8, the vested percentage of the Accrued Benefit to which the Participant is entitled shall be equal to the greater of:

- (1) 100% of the Participant's Employee Contributions Benefit; or
- (2) A percentage of the Participant's Accrued Benefit, determined on the basis of the number of whole years in the Participant's Years of Eligibility Service and in accordance with one of the following schedules:

Participants whose initial Date of Hire occurs prior to July 1, 2012:


Whole Years in Total Years of Eligibility Service	Percentage Vested
Less than 5	0
5 or more	100

Participants whose initial Date of Hire occurs after June 30, 2012:

Whole Years in Total Years of Eligibility Service	Percentage Vested
Less than 10	0
10 or more	100

AND BE IT FURTHER RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICK, That these amendments shall take effect on September 7, 2023, and that except as amended by this resolution, the City of Frederick 30-Year Pension Plan remains as originally adopted and subsequently amended by the Board of Aldermen.

ADOPTED AND APPROVED THIS 7th DAY OF SEPTEMBER, 2023.
WITNESS:

A handwritten signature in blue ink, appearing to read "Phyllis M. Hov", written over a horizontal line.A handwritten signature in blue ink, appearing to read "Michael C. O'Connor", written over a horizontal line.
Michael C. O'Connor, Mayor

Approved for Legal Sufficiency:

A handwritten signature in black ink, appearing to read "rachel s nessen", written over a horizontal line.
Rachel S. Nessen, City Attorney